

PRELIMINARY DRAFT

TEXAS LEGISLATIVE COUNCIL  
Special District Local  
Laws Code  
Chapter 8023  
8/15/18

CHAPTER 8023. THE WOODLANDS METRO CENTER MUNICIPAL UTILITY DISTRICT  
OF MONTGOMERY COUNTY

Sec. 8023.0001.	DEFINITIONS . . . . .	1
Sec. 8023.0002.	EXCLUSION OF TERRITORY . . . . .	1
Sec. 8023.0003.	ANNEXATION OR ADDITION OF SUBSTITUTED TERRITORY . . . . .	4

CHAPTER 8023. THE WOODLANDS METRO CENTER MUNICIPAL UTILITY DISTRICT  
OF MONTGOMERY COUNTY

Revised Law

Sec. 8023.0001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means The Woodlands Metro Center Municipal Utility District of Montgomery County, Texas. (Acts 72nd Leg., R.S., Ch. 322, Sec. 1.)

Source Law

Sec. 1. In this Act:

(1) "Board" means the board of directors of The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas.

(2) "District" means The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas.

Revised Law

Sec. 8023.0002. EXCLUSION OF TERRITORY. (a) The district may exclude territory from the district after a bond election has been called or bonds have been issued only if:

(1) the exclusion of the territory is not expressly prohibited by the orders or resolutions calling the bond election

1 or authorizing the issuance of the bonds;

2 (2) the district annexes or adds territory into the  
3 district that is sufficient to avoid an impairment of the security  
4 for payment of the voted or issued bonds and of any other contract  
5 obligations that are wholly or partly payable from or secured by ad  
6 valorem taxes or net revenues of the district; and

7 (3) the exclusion and addition of territory is  
8 accomplished in conformity with the notice and hearing requirements  
9 relating to the exclusion and addition of territory prescribed by  
10 Subchapter J, Chapter 49, Water Code.

11 (b) The district must finally annex or include the  
12 additional territory prescribed by Subsection (a)(2)  
13 simultaneously with the exclusion of the territory or not earlier  
14 than the 30th day before the date the territory is excluded.

15 (c) Before the effective date of the exclusion, the district  
16 must receive from the territory proposed to be excluded payments of  
17 all rates, fees, and charges for water, sewer, or other district  
18 services provided to the territory, and of all ad valorem taxes,  
19 standby fees, and associated penalties and interest relating to the  
20 territory, that are due or overdue.

21 (d) If ad valorem taxes or standby fees have not been  
22 established for the year in which the territory is to be excluded,  
23 the territory shall pay an amount determined by the district to be  
24 equal to the estimated ad valorem taxes or standby fees the district  
25 will establish for the year. (Acts 72nd Leg., R.S., Ch. 322, Sec.  
26 2.)

27 Source Law

28 Sec. 2. (a) The district may exclude territory  
29 from the district after a bond election has been called  
30 or bonds issued only if:

31 (1) the exclusion of the territory is not  
32 expressly prohibited by the orders or resolutions  
33 calling the bond election or authorizing the issuance  
34 of the bonds;

35 (2) the district annexes or adds territory  
36 into the district that is sufficient to avoid an  
37 impairment of the security for payment of the voted or  
38 issued bonds and of any other contract obligations  
39 that are in whole or in part payable from or secured by  
40 ad valorem taxes or net revenues of the district; and

1 (3) the exclusion and addition of  
2 territory is accomplished as prescribed by this Act  
3 and in conformity with the notice and hearing  
4 requirements relating to the exclusion and addition of  
5 territory prescribed by Chapter 54, Water Code.

6 (b) The district must finally annex or include  
7 the additional territory prescribed by Subsection  
8 (a)(2) of this section simultaneously with the  
9 exclusion of the territory or not more than 30 days  
10 before the date on which the territory is excluded.

11 (c) Before the effective date of the exclusion,  
12 the district must receive from the territory proposed  
13 to be excluded payments of all rates, fees, and charges  
14 for water, sewer, or other district services provided  
15 to the territory, and of all ad valorem taxes, standby  
16 fees, and associated penalties and interest relating  
17 to the territory, that are due or overdue. If ad  
18 valorem taxes or standby fees have not been  
19 established for the year in which the territory is to  
20 be excluded, the territory shall pay an amount  
21 determined by the district to be equal to the estimated  
22 ad valorem taxes or standby fees the district will  
23 establish for the year.

24 Revisor's Note

25 (1) Section 2(a)(3), Chapter 322, Acts of the  
26 72nd Legislature, Regular Session, 1991, provides that  
27 the district may exclude territory from the district  
28 and add territory to the district after a bond election  
29 has been called or bonds issued only if the exclusion  
30 and addition is accomplished "in conformity with the  
31 notice and hearing requirements relating to the  
32 exclusion and addition of territory prescribed by  
33 Chapter 54, Water Code." The revised law substitutes a  
34 reference to Subchapter J, Chapter 49, Water Code, for  
35 the reference to Chapter 54, Water Code, because the  
36 notice and hearing requirements for the addition or  
37 exclusion of territory by a municipal utility district  
38 in Chapter 54 were repealed by Section 43, Chapter 715,  
39 Acts of the 74th Legislature, Regular Session, 1995,  
40 and replaced with substantively similar requirements  
41 in Subchapter J, Chapter 49, by Section 2 of that act.  
42 Chapter 49, Water Code, applies to the district under  
43 Sections 49.001 and 49.002 of that chapter.

44 (2) Section 2(a)(3), Chapter 322, Acts of the  
45 72nd Legislature, Regular Session, 1991, provides that

1 the district may exclude and add territory if the  
2 exclusion and addition is accomplished as prescribed  
3 by Chapter 322. The revised law omits the provision  
4 because the procedures to exclude and add territory in  
5 Chapter 322 apply to the district on their own terms.

6 Revised Law

7 Sec. 8023.0003. ANNEXATION OR ADDITION OF SUBSTITUTED  
8 TERRITORY. (a) Territory annexed or added to the district is  
9 sufficient to avoid an impairment of the security for payment of an  
10 obligation of the district if:

11 (1) the taxable value of the additional territory is  
12 equal to or greater than the taxable value of the excluded  
13 territory, as determined by the most recent certified county  
14 property tax rolls; and

15 (2) the estimated cost to provide district facilities  
16 and services to the additional territory is equal to or less than  
17 the estimated cost to provide district facilities and services to  
18 the excluded territory, as determined by the district's engineer.

19 (b) In addition to the requirements of Subsection (a), if  
20 the district's outstanding bonds or contract obligations are wholly  
21 or partly payable from or secured by the net revenues from the  
22 ownership or operation of the district's waterworks or sewer  
23 systems, the projected net revenues to be derived from the  
24 additional territory during the period ending on the anniversary of  
25 the date on which the territory is added must be equal to or greater  
26 than the projected net revenues that would be derived during that  
27 period from the excluded territory, as determined by the district's  
28 engineer. (Acts 72nd Leg., R.S., Ch. 322, Sec. 3.)

29 Source Law

30 Sec. 3. (a) Territory annexed or added to the  
31 district is sufficient to avoid an impairment of the  
32 security for payment of an obligation of the district  
33 if:

34 (1) the taxable value of the additional  
35 territory is equal to or greater than the taxable value  
36 of the excluded territory, as determined by the most  
37 recent certified county property tax rolls; and

38 (2) the estimated cost to provide district

1 facilities and services to the additional territory is  
2 equal to or less than the estimated cost to provide  
3 district facilities and services to the excluded  
4 territory, as determined by the district's engineer.

5 (b) In addition to the requirements of  
6 Subsection (a) of this section, if the district's  
7 outstanding bonds or contract obligations are in whole  
8 or in part payable from or secured by the net revenues  
9 from the ownership or operation of the district's  
10 waterworks or sewer systems, the projected net  
11 revenues to be derived from the additional territory  
12 during the period ending on the anniversary of the date  
13 on which the territory is added must be equal to or  
14 greater than the projected net revenues that would be  
15 derived during that period from the excluded  
16 territory, as determined by the district's engineer.

17 Revisor's Note  
18 (End of Chapter)

19 (1) Section 4, Chapter 322, Acts of the 72nd  
20 Legislature, Regular Session, 1991, refers to the  
21 cumulative effect of the act. The revised law omits  
22 that provision because an accepted general principle  
23 of statutory construction requires a statute to be  
24 given cumulative effect with other statutes unless it  
25 provides otherwise or unless the statutes are in  
26 conflict. The general principle applies to this  
27 revision. The omitted law reads:

28 Sec. 4. This Act is cumulative and in  
29 addition to the rights, powers, and  
30 authority to exclude territory that is  
31 conferred on the district by general  
32 law. . . .

33 (2) Section 4, Chapter 322, Acts of the 72nd  
34 Legislature, Regular Session, 1991, provides that the  
35 act prevails over general law in case of a conflict or  
36 other inconsistency. The revised law omits that  
37 provision because it duplicates in substance Section  
38 311.026(b), Government Code (Code Construction Act).  
39 The omitted law reads:

40 Sec. 4. . . . If a provision of this  
41 Act conflicts with or is inconsistent with  
42 the general law, this Act prevails.